

Message Text

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PAGE 01 THE HA 04185 241408Z

44

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SPC-03 SS-15

USIA-15 ACDA-19 IO-13 AID-20 COME-00 EB-11 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

STR-08 AGR-20 DRC-01 /220 W
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R 241316Z SEP 73

FM AMEMBASSY THE HAGUE
TO SECSTATE WASHDC 2030
INFO USMISSION EC BRUSSELS
USMISSION OECD PARIS

UNCLAS THE HAGUE 4185

E.O. 11652: N/A

TAGS: EGEN NL

SUBJECT: MEASURES TO EXPLOIT GUILDER REVALUATION AND INCREASE
EMPLOYMENT

1. IT WAS ANNOUNCED SEPT 21 THAT MINISTERS OF FINANCE AND ECONOMIC
AFFAIRS HAVE SUBMITTED JOINT NOTE TO PARLIAMENT LISTING FOLLOWING
MEASURES WHICH GON IS TAKING TO EXPLOIT ADVANTAGES AND OFFSET
DISADVANTAGES OF SEPT 17 GUILDER REVALUATION:

A. INCREASE VAT REFUNDS TO AGRICULTURE UP TO APRIL 1, 1974 TO
6.25 PERCENT (FROM PRESENT 4.25), OR BY 130 MILLION GULDERS, TO
OFFSET FARM INCOME LOSSES DUE TO REVALUATION;

B. ADAPT PRICE CONTROL STRUCTURE TO ENSURE THAT LOWER IMPORT
PRICES ARE PASSED ON TO CONSUMER;

C. ENCOURAGE PRIVATE INVESTMENT BY IMMEDIATE DEDUCTION OF 5 PERCENT
OF BUILDING COSTS FROM TAXABLE INCOME, REPEATING SAME DEDUCTION THE
FOLLOWING YEAR ON ANY GIVEN INVESTMENT, AT COST TO BUDGET OF 120
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PAGE 02 THE HA 04185 241408Z

MILLION GULDERS IN 1974;

D. INITIATE CYCLICALLY PHASED 750 MILLION GUILDER PROGRAM OF
PUBLIC INVESTMENT TO COMBAT UNEMPLOYMENT.

2. MINISTERIAL NOTE EMBRACED JUDGMENT OF CENTRAL PLANNING OFFICE
THAT REVALUATION WOULD NOT RESULT IN LOWER DISPOSABLE PERSONAL
INCOMES FOR AVERAGE WORKER IN REAL TERMS AND STATED THAT REVALUATION
COULD LEAD TO FURTHER INCREASE IN BOP SURPLUS IN CURRENT ACCOUNT,
ALREADY PREDICTED AT 3 BILLION GUILDERS AS OPPOSED TO 2.5 BILLION
PROJECTED EARLIER THIS YEAR.
TANGUY

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NNN

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Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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30 JUN 2005

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